

Message Text

PAGE 01 NATO 00237 01 OF 02 181548Z

44

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 DODE-00 H-01 NSC-05 SS-15 EB-07 COME-00 FRB-01

NIC-01 AGR-05 /077 W

----- 084721

P 181345Z JAN 75

FM USMISSION NATO

TO SECSTATE WASHDC PRIORITY 9629

AMEMBASSY BELGRADE

LIMITED OFFICIAL USE SECTION 1 OF 2 USNATO 0237

E.O. 11652 N/A

TAGS: ECON, EFIN, YO, NATO

SUBJECT: ECONADS: FIRST DISCUSSION OF DRAFT REPORT ON
YUGOSLAV ECONOMY

REF: A. USNATO 62

B. STATE 9731

C. BELGRADE 193

SUMMARY: CANADA, UK AND US HAD SUBSTANTIVE
COMMENTS FOR INITIAL EXCHANGE OF VIEWS IN ECONOMIC
COMMITTEE MEETING JANUARY 16 ON IS DRAFT REPORT ON
RECENT TRENDS IN YUGOSLAV ECONOMY (AC/127-WP/413 AND
CORREIGENDUM). COMMITTEE CHAIRMAN EXPRESSED APPRECIATION
FOR PRELIMINARY VIEWS OFFERED AND REQUESTED MORE
DEFINITIVE COMMENTS FROM ALL DELEGATIONS IN TIME FOR
NEXT MEETING JANUARY 23, SO THAT ECONOMIC COMMITTEE
CAN APPROVE AGREED BRIEF SUMMARY AND CONCLUSIONS TO
BE FORWARDED TO COUNCIL RAPIDLY. COMMITTEE WILL THEN
PREPARE MORE COMPLETE REPORT WITH STATISTICAL DATA, POSSIBLY AFTER
MEETING WITH EXPERTS FROM CAPITALS. ACTION REQUESTED: (A)
WASHINGTON COMMENTS BY C.O.B. HERE JANUARY 22 ON
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 NATO 00237 01 OF 02 181548Z

SUMMARY AND CONCLUSIONS FOR BRIEF REPORT TO NAC.

(B) ADVISE AS TO WHETHER WASHINGTON AND/OR EMBASSY
BELGRADE COULD SEND REPRESENTATIVE TO

EXPEERTS MEETING SOMETIME IN SPRING. END SUMMARY.

1. AT JANUARY 16 ECONOMIC COMMITTEE MEETING TO DISCUSS INTERNATIONAL STAFF (IS) DRAFT REPORT ON YUGOSLAV ECONOMY, CANADA, UK, AND U.S. WERE PREPARED WITH PRELIMINARY SUBSTANTIVE COMMENTS. CANADA SAID INITIAL COMMENTS FROM CANADIAN EMBASSY BELGRADE WERE THAT REPORT IS TOO LONG AND TECHNICAL, SOME INFORMATION NEEDS UPDATING, SUMMARY AND CONCLUSIONS ARE OVERSIMPLIFIED AND FRAMATIC, AND THAT REPORT IS INSUFFICIENTLY BALANCED BETWEEN ECONOMIC TRENDS AND POSSIBLE POLITICAL CONSEQUENCES.

2. UK REP HAD NO PROBLEM WITH GENERAL THRUST AND CONCLUSIONS OF DRAFT REPORT, BUT SAID BIRITISH AUTHORITIES SUGGESED FOLLOWING SPECIFIC CHANGES:

--PARA 29. UK BELIEVES OIL WILLNOT BEGIN TO FLOW IN ADRIATIC PIPELINE UNTIL 1979 OR 1980 RATHER THAN 1976. (ECONOMIC DIRECTORATE AGREES ON BASIS MORE RECENT INFORMATION).

--PARA 39. REGARDING SECOND SENTENCE, UK DOUBTS YUGOSLAVIA MAY SEEK TO SWITCH TO EASTERN EUROPE AS SOURCE OF IMPORTS, SINCE IT HAS PAYMENT AGREEMENT WITH OTHER EASTERN EUROPEAN COUNTRIES CALLING FOR SETTLEMENT IN HARD CURRENCIES.

--PARA 44. UK HAS INFORMATION THAT YUGOSLAV EMMIGRANTS ALREADY RETURNING IN LARGE NUMBERS AND BELIEVES THIS SHOULD BE MENTIONED.

--PARA 45. UK BELIEVES 1974 DEFICIT ON CURRENT ACCOUNT WAS \$1 BILLION RATHER THAN \$720 MILLION. (THIS IS MORE IN ACCORD WITH U.S. ESTIMATE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 03 NATO 00237 01 OF 02 181548Z

PROVIDED BY EMBASSY BELGRADE).

3. AFTER STATING THAT WASHINGTON AUTHRORITIES WERE STILL STUDYING DRAFT REPORT AND WOLD HAVE ADDITIONAL COMMENTS AT LATER DATE, U.S. REP DREW ON REF C TO PROVIDE PRELIMINARY VIEWS OF EMBASSY BELGRADE BASED ON SUMMARY AND CONCLUSIONS. COMMITTEE CHAIRMAN (NATO'S ACTING ECONOMIC DIRECTOR) EXPRESSED APPRECIATION FOR COMMENT FROM CANADA, U.S. AND UK AND URGED OTHER DELEGATIONS TO ELICIT VIEWS FROM CAPITALS. HE PARTICULARLY WELCOMED EXTENSIVE PRELIMINARY VIEWS OF U.S., SINCE IS

REPORT WAS PREPARED ON BASIS LATEST DATA AT ITS DISPOSAL -- LARGELY OECD YEAR BOOK ON YUGOSLAVIA OF APRIL 1974 AND TRADE FIGURES FOR FIRST HALF OF 1974. HOWEVER, CHAIRMAN DEFENDED DRAFT REPORT'S ANALYSIS OF TRENDS AND SUGGESTED THAT U. S. PROBLEM WITH SUMMARY AND CONCLUSIONS PROBABLY RESULT OF EMBASSY BELGRADE NOT HAVING BENEFIT OF ENTIRE TEXT WHICH DEALT IN MORE DETAIL WITH THE GROWING RELATIONS BETWEEN YUGOSLAVIA AND OIL PRODUCERS, AND YUGOSLAVIAN INFLATION, TRADE PATTERNS AND PREFORMANCE IN AGGRICULTURAL SECTOR,. HE SAID THAT SUMMARY AND CONCLUSIONS IN FIRST DRAFT WERE PURPOSELY PROVOCATIVE TO STIMULATE COMMENTS FROM MEMBER COUNTRIES AND THAT BRIEF FINAL REPORT TO COUNCIL SHOULD BE MORE BALANCED. HE NOTED, HOWEVER, THAT TO BE USEFUL TO THE NAC, REPORT SHOULD POINT UP AREAS OF POSSIBLE DIFFICULTY RATHER THAN CONCENTRATING ON SATISFACTORY DEVELOPMENTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 01 NATO 00237 02 OF 02 181600Z

44

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-02 ACDA-05

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 DODE-00 H-01 NSC-05 SS-15 EB-07 COME-00 FRB-01

NIC-01 AGR-05 /077 W

----- 084771

P 181345Z JAN 75

FM USMISSION NATO

TO SECSTATE WASHDC PRIORITY 9630

AMEMBASSY BELGRADE

LIMITED OFFICIAL USE SECTION 2 OF 2 USNATO 0237

4. CHAIRMAN OFFERED FOLOWING COMMENTS ON PRELIMINARY U.S. VIEWS. IS DOES NOT SUGGEST THAT TRADE WITH SOVIETS AND EASTERN EUROPE INCREASING AS PERCENTAGE OF TOTAL TRADE AND AGREES THAT MARKED INCREAS IN TRADE WITH MIDDLE EAST AND OTHER LDC'S IMPORTANT DEVELOPMENT. IN DRAFT REPORT, IS MERELY INTENDED TO POINT OUT THAT (DURING FIRST HALF OF 1974 AT LEAST) YUGOSLAV EXPORTS TO USSR AND EASTERN EUROPE INCREASED BY 70 PERCENT COMPARED WITH AN INCREASE OF 53 PERCENT IN TOTAL EXPORTS AND OF 19 PERCENT TO EEC. IN BOYD OF REPORT, IS STATES THAT IF THIS IS NOT

MERELY TEMPORARY PHENOMENON IT COULD BE FIRST SIGN
OF ALTERATION IN TRADE PATTERN. REGARDING LAG
IN AGRICULTURAL SECTOR, IS WANTED TO POINT OUT THAT
DESPITE GOOD PERFORMANCE IN 1974, CEREALS AND SUGAR
NOW ACCOUNT FOR ONE-THIRD OF AGRICULTURAL PURCHASES
ABROAD COMPARED WITH ONE-FIFTH IN 1978, AND THAT
AGRICULTURAL IMPORTS STILL EXCEED EXPORTS. REGARDING
INFLATION, IS CONTINUES TO BELIEVE RATE OF 25 PERCENT
WORRISOME SINCE RATE WAS 9 PERCENT IN 1960'S AND
INCREASED FROM 11 PERCENT TO 20 PERCENT BETWEEN
1970 AND 1973.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NATO 00237 02 OF 02 181600Z

5. MISSION IS FURNISHING COPY OF COMPLETE DRAFT
REPORT TO EMBASSY BELGRADE. FOR PRESENT, HOWEVER,
MISSION REQUESTS THAT WASHINGTON AND EMBASSY BELGRADE
CONCENTRATE ON BREF REPORT (ALONG LINES OF SUMMARY
AND CONCLUSIONS IN DRAFT REPORT) WHICH CAN BE
APPROVED SOON FOR SUBMISSION TO NAC. REPORT IS,
OF COURSE, NOT FOR PUBLIC CONSUMPTION AND SHOULD
BE CRITICAL ANALYSIS POINTING UP DIFFICULTIES WHICH
ARE OF INTEREST AND CONCERN TO ALLIANCE.
BRUCE

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 18 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NATO00237
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750188/abbrzhqs.tel
Line Count: 191
Locator: TEXT ON-LINE
Office: n/a
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. USNATO 62 B. STATE 9731 C. BELGRADE 193
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2003 by ElyME>; APPROVED <16 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ECONADS: FIRST DISSCUSSION OF DRAFT REPORT ON YUGOSLAV ECONOMY
TAGS: ECON, EFIN, YO, NATO
To: STATE
BELGRADE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006